

VZCZCXRO3615
RR RUEHAST RUEHHM RUEHLN RUEHMA RUEHPB RUEHPOD RUEHTM
DE RUEHGV #0926 3101350
ZNR UUUUU ZZH
R 051350Z NOV 08
FM USMISSION GENEVA
TO RUEHC/SECSTATE WASHDC 7386
INFO RUEHZN/ENVIRONMENT SCIENCE AND TECHNOLOGY COLLECTIVE
RUCNDT/USMISSION USUN NEW YORK 2857

UNCLAS GENEVA 000926

SIPDIS

STATE FOR IO/T FOR GROBERTS
STATE PASS NOAA FOR GENERAL J.KELLY AND DR. B.BOLHOFFER

E.O. 12958: N/A
TAGS: [SENV](#) [EFIN](#) [WMO](#) [UN](#) [ECOSOC](#)
SUBJECT: WMO Audit Committee Read Out

11. Summary. The World Meteorological Organization (WMO) Audit Committee (AC) met at WMO headquarters October 20 - 21, 2008 to report on the status of implementation of audit recommendations generated by the Internal Oversight Office (IOO) and the UN Joint Inspection Unit. A representative from NOAA's Chief Financial Office attended with support staff from NOAA and the U.S. Mission. This was the 11th Audit Committee since it was first established in 2004 to address fraud and waste within the WMO. Of particular interest to the U.S. was discussion on the internal progress report, planning for the introduction of IPSAS (the accounting standard the WMO will switch to in 2010) and the working capital fund. AC-XII is planned for spring 2009. The U.S. Delegation was successful in meeting all of its goals. End Summary

Internal Progress Report

12. The Audit Committee (AC) reviewed and accepted the proposed audit plans by the Internal Oversight Office (IOO) Director and agreed that the IOO has done a commendable job in prioritizing its actions. The IOO reported that upwards of 75 percent of the auditor's recommendations had been addressed. While members appreciated this good news, they commented that the information about performance tended to be more quantitative than qualitative. For example, members had no way of understanding the relative impact on WMO management of the recommendations that have been implemented, nor the scope of its undertaking. Members questioned whether the remaining 25 percent of recommendations still to be implemented could be those that might have the most significant impact on avoiding future fraud and mismanagement. Lastly, the AC asked the IOO to provide more information about the risks associated with delaying implementation on any of the recommendations.

IPSAS

13. The Implementation of Internal Public Sector Accounting Standards (IPSAS) is required throughout the UN by 2010, consequently the market for expert consultants is competitive and the risk of missing this deadline is high throughout the UN. While some organizations have to build IPSAS from the ground up, WMO believes that the implementation will not be as major as once thought. A consultant is in the process of determining what needs to be done. Certainly the Oracle system will need to be upgraded and an RFP has been signed to hire a consultant for this work.

Working Capital Fund

14. Given an anticipated shortfall to the Working Capital Fund (WCF), the US delegations had some concerns as to how the IOO proposed to meet the level approved by Congress. Fortunately, the IOO reported that they expect to fund the shortfall through all interest to be earned from short-term investments of the capital of the WCF in the four-year Financial Period (15th) ending in 2011. The remaining shortfall of CHF 465,293 (approximately USD 404,600) will be addressed through interest earned during the 16th Financial Period.

¶5. Members also questioned whether 7 million francs (USD 6 million) is a sufficient balance for the Working Capital Fund, particularly as it is apparently an arbitrarily determined sum. The question of how much should reside in the Working Capital Fund will need to be determined during the 16th Financial Period. If desirable, a study should be done to determine the appropriate level of funding for the WCF.

COMMENT

¶6. As a sign of its success and maturity, the proceedings were calm and deliberate. This meeting had few controversial issues, and so the USG delegation met all of its goals.

STORELLA#